

C. DUKES SCOTT  
EXECUTIVE DIRECTOR

1411 Main Street, Suite 300  
Columbia, SC 29201



DAN E. ARNETT  
CHIEF OF STAFF

Main Line: (803) 737-0800  
Legal Department: (803) 737-0877

April 26, 2007

FLORENCE P. BELSER  
GENERAL COUNSEL

**VIA EFILING AND HAND DELIVERY**

Mr. Charles L.A. Terreni  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Re: Application of New Horizons Communications Corporation for Authority to Operate  
as a Reseller of Interexchange Telecommunications Services within the State of  
South Carolina and for Alternative Regulation  
**Docket No. 2007-20-C**

Dear Mr. Terreni:

Enclosed for filing you will find the original and one (1) copy of the Settlement Agreement in the  
above referenced matter.

Please note that the attached documents are exact duplicates, with the exception of the form of the  
signature, of the e-filed copy submitted to the Commission in accordance with its electronic filing  
instructions.

Please date stamp the extra copy enclosed and return it to me in the envelope provided and do not  
hesitate to let me know if you have any questions.

Sincerely,

Shannon Bowyer Hudson

SBH/pjm  
Enclosures

cc: Scott Elliott, Esquire  
Lance J.M. Steinhart, Esquire

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2007-20-C**

**April 26, 2007**

**IN RE:**

<b>Application of New Horizons</b>	)	
<b>Communications Corp.</b>	)	
<b>For Authority to Operate as a</b>	)	
<b>Reseller of Interexchange</b>	)	
<b>Telecommunications Services within the</b>	)	<b>SETTLEMENT AGREEMENT</b>
<b>State of South Carolina and for</b>	)	
<b>Alternative Regulation</b>	)	
<hr/>		

This Settlement Agreement (“Settlement Agreement”) is made by and among the Office of Regulatory Staff (“ORS”) and New Horizons Communications Corp. (“New Horizons” or “the Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”);

WHEREAS, on January 8, 2007, New Horizons filed an application requesting (i) a Certificate of Public Convenience and Necessity be granted to operate as a reseller of interexchange telecommunications services throughout the State of South Carolina; (ii) alternative regulation for its interexchange services pursuant to South Carolina Code § 58-9-585 (Supp.1999), as was first granted by the Commission in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C; and (iii) waiver of Commission regulation 103-610, 103-612.2.3, and 103-631;

WHEREAS, on January 17, 2007, the Commission appointed David Butler, Esquire as the Hearing Examiner for this matter;

WHEREAS, on January 18, 2007, counsel for ORS entered a notice of appearance in this matter;

WHEREAS, on January 18, 2007, the Public Service Commission of South Carolina (the "Commission") issued a notice of hearing and set a return date of February 19, 2007 for the hearing in the above captioned matter scheduled to be heard before a Hearing Examiner on April 30, 2007;

WHEREAS, on February 16, 2007, the Company filed proof that publication had been filed in the following South Carolina newspapers: *The Florence Morning News*, *The Greenville News*, *The Post and Courier*, and *The State*;

WHEREAS, no party filed to become an intervenor in this matter;

WHEREAS, on March 22, 2007, New Horizons pre-filed direct testimony of Glen Nelson with the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by New Horizons and its request for a Certificate of Public Convenience and Necessity;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide such services;

WHEREAS, ORS has reviewed the application and the financial data provided by the Company;

WHEREAS, ORS has investigated the services to be offered by New Horizons and its intended customer service plans;

WHEREAS, ORS has reviewed the prefiled testimony of Glen Nelson;

WHEREAS, as a result of its investigations, ORS has determined a) New Horizons intends to resell interexchange telecommunication services within the state of South Carolina; b) New Horizons will not construct any facilities to implement the authority sought herein; c) the officers of New Horizons appear to possess sufficient technical and managerial abilities to adequately provide the services applied for; d) based upon the financial information provided and the analysis performed, New Horizons appears to have the financial resources necessary to provide the services proposed in its application; e) New Horizons agrees it filed its final tariff with the Commission on April 19, 2007; f) the services provided by New Horizons will meet the service standards required by the Commission; and g) to the extent it is required to do so by the Commission, New Horizons will participate in the support of universally available telephone service at affordable rates.

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed direct testimony of New Horizons Witness Glen Nelson who will be presented by New Horizons without cross-examination by ORS on matters known as of the date of the filing of this Settlement Agreement;

2) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to operate as a reseller of interexchange telecommunications services within the state of South Carolina;

3) The Company has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 (location of books and records). However, S.C. Code Ann. §58-9-380 (as amended by 2006 Acts No. 318) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing the Company to maintain its books and records outside of the State of South Carolina in exchange for the Company agreeing to provide access to the Company's books and records. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2005) or § 58-9-1070 (as amended by 2006 Acts No. 318). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

4) The Company, acknowledges that S.C. Code Ann. § 58-9-340 provides that the ORS may, in its discretion, and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately

and faithfully according to the system of accounts as prescribed by the ORS. The Company agrees to keep its books, papers, and records in such a manner that permits ORS to audit its revenues and expenses for compliance with programs such as but not limited to USF and Interim LEC funds and gross receipts. The Company agrees to complete the USF Form, which is attached in its current form as Exhibit 1, and as the form may be amended from time to time;

5) ORS does not oppose the Company's request for a waiver from filing operating area maps as required by 26 S.C. Code Ann. Regs. 103-612.2.3;

6) ORS does not oppose the Company's request for a waiver from 26 S.C. Code Ann. Regs. 103-631 which requires the publication of directories;

7) ORS does not oppose the Company's request that all of its telecommunications offerings be regulated as described in its application pursuant to the procedures set out in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C;

8) New Horizons agrees to utilize underlying carriers and to resell the services of only those interexchange carriers authorized to do business in South Carolina by the Commission;

9) New Horizons agrees that the Company will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

10) New Horizons agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, annual reporting and gross receipts to the extent required by law and Commission orders. The parties agree that

such reports shall be filed pursuant to ORS instructions and monies shall be remitted in accordance with the directions of ORS and the Commission;

11) As a prerequisite of offering prepaid calling card or prepaid long distance services, New Horizons agrees, pursuant to the South Carolina Public Service Commission (“Commission”) requirements, that it shall post a surety bond in the amount of \$5,000;

12) The Company agrees to comply with the verification regulations governing change of preferred interexchange carriers as established by Federal Communications Commission, and the Company agrees to comply with the marketing practices and guidelines established in Order Nos. 95-658 and 95-933;

13) New Horizons agrees to comply with South Carolina Code Section § 58-9-300 entitled “Abandonment of Service.” Additionally, New Horizons agrees to adhere to the Federal Communication Commission rule 47 C.F.R. § 64.1190 and 64.1130 regarding the use of preferred carrier freezes and letters of agency.

14) New Horizons agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

15) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B). S.C. Code § 58-4-10(B)(1) through (3) reads in part as follows:

...’public interest’ means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and

(3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

16) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein;

17) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation;

18) This Settlement Agreement shall be interpreted according to South Carolina law;

19) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her



signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

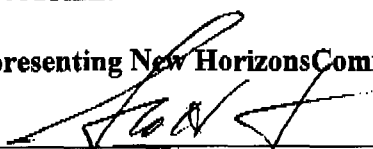
**Representing the Office of Regulatory Staff**

Shannon Bowyer Hudson

Shannon Bowyer Hudson, Esquire  
Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, South Carolina 29201  
Phone: (803) 737-0889  
Fax: (803) 737-0895  
Email: shudson@regstaff.sc.gov

WE AGREE:

**Representing New Horizons Communications Corporation**



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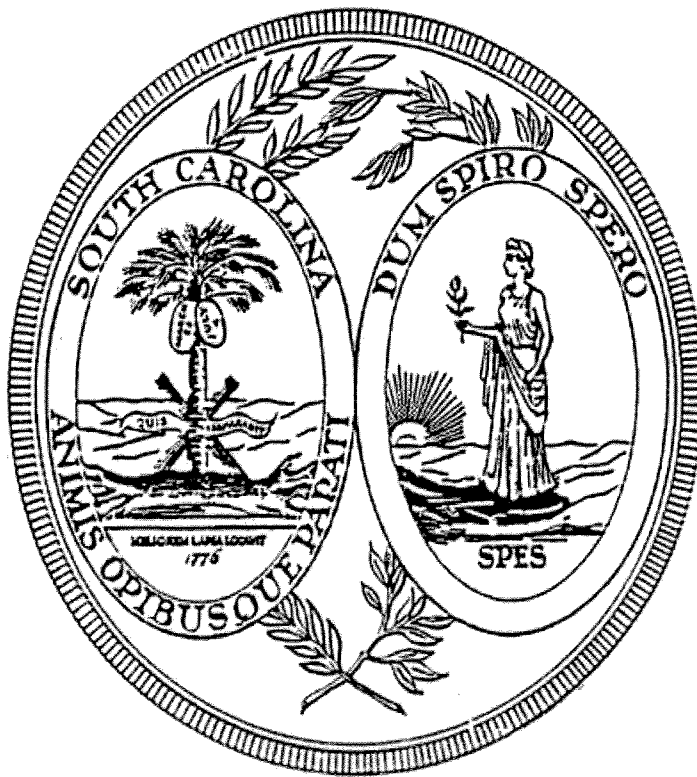
Scott Elliott, Esquire  
Elliott & Elliott, P.A.  
721 Olive Street  
Columbia, SC 29205  
Phone: (803) 771-0555  
Fax: (803) 771-8010  
Email: selliott@elliottlaw.us

**2007 South Carolina Universal Service Contribution**  
**Worksheet**

Revenue Data for Year Ending  
**12/ 31/2006**

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**Name of Company**



**Form must be completed and returned by July 1, 2007 to:**

Universal Service Fund Administrator  
South Carolina Office of Regulatory Staff  
1441 Main St. Suite 300  
Columbia, SC 29201

## **2007 SC USF Worksheet Table of Contents:**

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# 2007 South Carolina Universal Service Fund Contribution Worksheet

## **I. Contributor Identification Information:**

101. Legal name of reporting entity:

102. \_\_\_\_\_  
IRS employer identification number:

103. \_\_\_\_\_  
Name(s) by which telecommunications service provider is doing business, if different than shown in Line 101:

104. \_\_\_\_\_  
Complete mailing address of reporting entity:

105. \_\_\_\_\_  
Individual who completed this worksheet:

106. \_\_\_\_\_  
Telephone number of individual completing the worksheet:

107. \_\_\_\_\_  
E-mail address for individual completing the worksheet:

108. \_\_\_\_\_  
Fax number of individual completing the worksheet:

109. \_\_\_\_\_  
Address that Universal Service Fund bills should be sent:

110. \_\_\_\_\_  
Contact person at your Company for Universal Service Fund billing questions:

111. \_\_\_\_\_  
Telephone number for individual provided in Item 110:

112. \_\_\_\_\_  
E-mail address for individual provided in Item 110.

## 2007 South Carolina Universal Service Fund Contribution Worksheet

### II. Certification of Net Universal Service Fund Contribution Base Revenues:

113. Revenues as reported on Line 222; Columns A, B and D of the worksheet:
- (a) Total **Intrastate** End User Operating Revenues in South Carolina for 12 months period ending 12/31/2006: \_\_\_\_\_
- (b) Total **Interstate** End User Operating Revenues in South Carolina for 12 months period ending 12/31/2006: \_\_\_\_\_
- (c) Total **Intrastate and Interstate** (Sum: 113 (a) and Sum 113 (b)) End User Operating Revenues in South Carolina for 12 months period ending 12/31/2006: \_\_\_\_\_
114. **South Carolina USF Assessments** collected from retail end-user during the year ending 12/31/2006: \_\_\_\_\_
115. **Certification of Report:** I certify that I am an officer of

\_\_\_\_\_  
(Company Name) and that I have examined the foregoing report and to the best of my knowledge, information, and belief, all of the statements in this Contribution Worksheet are true and that said Worksheet is an accurate statement of affairs of the above named Company for the time period of covered in this report.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed name of Officer signing above: \_\_\_\_\_

Position of Officer signing above: \_\_\_\_\_

SWORN TO AND SUBSCRIBED BEFORE ME  
this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC for  
My Commission Expires: \_\_\_\_\_

### **III. General Filing Instructions:**

#### **Who Must File:**

As required by the South Carolina Public Service Commission USF Guidelines approved by Order No. 2001-996, each carrier must file on an annual basis the information necessary to allow the Administrator to calculate the carrier's contribution.

#### **When and Where to File:**

Contribution Worksheets must be sent to:

SC Universal Service Fund Administrator  
c/o South Carolina Office of Regulatory Staff  
1441 Main St. Suite 300  
Columbia, SC 29201

Each Carrier must file on an annual basis the information necessary to allow the Administrator to calculate the carrier's contribution. These filings are due **on or before July 1** of each year, reporting data as of December 31 of the prior calendar year.

#### **Revenue Reporting General Instructions:**

Reported revenues should:

- Include account set-up, connection, service restoration, termination and other non-recurring charges. (These charges should be reported on the same line that the filer reports any associated recurring revenue. For example, an early termination charge for a long distance private line service would be reported as revenue on Line 210.)
- Include revenues derived from the activation and provision of intrastate and interstate telecommunications and non-telecommunications services.
- Include total revenues billed to customers during the filing period with no allowances for uncollectible, settlements, or out-of-period adjustments.
- Include collection overages and unclaimed refunds for telecommunications services when not subject to escheats.
- Include any surcharges on telecommunications services that are billed to the customer and either retained by the filer or remitted to a non-government third party under contract.
- Include other surcharges treated as revenues on which the surcharges were levied.
- Include any charge billed to customer and represented to recover or collect contributions to federal or state universal service support mechanisms must be shown separately on Line 201.
- Exclude taxes and any surcharges that are not recorded on the company books as revenues but which instead are remitted to government bodies.
- Exclude Customer Deposits.
- Tie directly to the books and records (e.g., general ledger/trial balance) of the reporting entity and not include estimates developed and reported by NECA or other reporting entities.
- Gross revenues should not be reported net of related expenditures.



### **III. General Filing Instructions Continued:**

#### **Permissible Exceptions:**

An entity is not required to impute or report revenues for services provided to itself or to wholly owned affiliates unless: 1) it is required to record such revenues for some other federal or state regulatory purpose; or 2) the filer is providing service to an affiliate for resale and the affiliate is not a direct universal contributor.

#### **Use of Estimates:**

If revenue category breakout cannot be determined directly from corporate books of account or subsidiary records, filers may provide on the Worksheet a good-faith estimate of the breakout. Detailed calculation of any such estimates must accompany the Worksheet and clearly describe all assumption used in their calculation. Filers may not simply report all revenues on one of the "other revenue" lines.

#### **Mergers:**

Where two contributors have merged prior to the filing date, the successor company should report total revenues for the reporting period for all predecessor operations. The two contributors, however, should continue to report separately if each maintains separate corporate identities and continue to operate independently. Where an entity obtains, through purchase, merger or transfer, the telecommunications operations or customer base of a telecommunications provider during the calendar year, it must report all telecommunications revenues associated with such operations or customer base including revenues billed in the calendar year prior to the date of acquisition.

#### **Questions:**

Questions can be directed to the South Carolina Office of Regulatory Staff at 803-737-0800. Please ask to be directed to the Universal Service Fund Administrator.

#### **IV. Line Item Contribution Worksheet Instructions:**

Line 201 -- Itemized charges levied by the reporting entity in order to recover contributions to state and federal universal service support mechanisms should be reported on Line 201. Any charge that is identified on a bill as recovering contributions to universal service support mechanisms must be shown on Line 201 and should be identified as either interstate or intrastate revenues, as appropriate.

Line 202 -- Monthly service, local calling, connection charges, vertical features, and other local exchange services should include the basic local service revenues except for local private line revenues, access revenues, and revenues from providing mobile or cellular services. This line should include charges for optional extended area service, dialing features, local directory assistance, added exchange services such as automatic number identification (ANI) or teleconferencing, LNP surcharges, connection charges, charges for connecting with mobile service and local exchange revenue settlements.

Line 203 -- Line 203 a. should include revenues for charges to end users specified in a carrier's access services tariffs, such as tariffed subscriber line charges and PICC charges levied by a local exchange carrier on customers that are not presubscribed to an interexchange carrier (*i.e.*, a no-PIC customer). However, Line 203 a. should not include revenues for charges to end users for special access services (which are reported on Line 204). Subscriber Line Charges associated with Public Payphone access line services and Lifeline Services should be excluded from Line 203 a. Telecommunications providers that do not have subscriber line charge or PICC tariffs on file with the Federal Communications Commission or the Public Service Commission, or that are not reselling such tariffed charges, should report \$0 on Line 203 a. Filers are required to specifically identify and report revenues associated with subscriber line charges excluded from Line 203 a. associated with Public Telephone Access Line Services on Line 203 b. and associated with the Lifeline Service on Line 203 c.

Line 204 -- Line 204 should include local private line and special access services. This includes revenues from providing local services that involve dedicated circuits, private switching arrangements, digital subscriber lines, and/or predefined transmission paths. Line 204 should include revenues from special access lines resold to end users unless the service is bundled with, and charged as part of a toll service, in which case the revenues should be reported on the appropriate toll service line. Also, report on Line 204 revenues from offering dedicated capacity between specified points even if the service is provided over local area switched ATM or frame relay networks. Revenues associated with digital subscriber line services (DSL) used to provide internet access should not be included in Line 204. These digital subscriber line (DSL) revenues should be reported as part of the revenues reported on Line 213

Line 205 -- Line 205 a. should include all revenues received from customers paid directly to the payphone service provider, including all coin-in-the-box revenues. Do not deduct commission payments to premises' owners. Public Telephone Access Line Services should be excluded from these revenues. However, filers are required to identify and report revenues associated with public telephone access line services (PTAS) provided to payphone service providers as Carrier's Carrier (Wholesale) revenues on Line 205 b.

Line 206 -- Other local telecommunications service revenues should include local telecommunications service revenues that reasonably would not be included with one of the other fixed local service revenue categories.

Line 207 -- This line should include revenues (excluding international) from prepaid calling cards provided either to customers or to retail distributors. Revenues should represent the amounts actually paid by customers (face value) and not the amounts paid by distributors or retailers, and should not be reduced or adjusted for discounts provided to distributors or retail establishments. All prepaid card revenues are classified as end-user revenues. For purposes of completing this Worksheet, prepaid card revenues should be recognized when the cards are sold.

#### **IV. Line Item Contribution Worksheet Instructions Continued:**

Line 208 – Interstate and intrastate operator and toll calls with alternative billing arrangements should include all calling card or credit card calls, person-to-person calls, and calls with alternative billing arrangements such as third-number billing and collect calls which are billed to South Carolina end-users. This line should include all charges from interstate and intrastate toll or long distance directory assistance. All revenues from international calls should be reported on line 217. Line 211 should include revenues from all calls placed from all coin and coinless, public and semi-public, accommodation and prison telephones, except that calls that are paid for via prepaid calling cards should be included on Line 207 and calls paid for by coins deposited in the phone should be included on Line 205.

Line 209 -- Ordinary long distance and other switched toll services should include all long distance message revenues except for amounts reported on Lines 205, 207, 211, or 216. Line 209 should include ordinary message telephone service (MTS), WATS, subscriber toll-free, 900, "WATS-like," and similar switched services. This category includes most toll calls placed for a fee and should include flat monthly charges billed to customers, such as account maintenance charges, PICC pass-through charges, package plans giving fixed amounts of toll minutes, and monthly minimums. However, where customers are charged single rate for a combined local and long distance service, all revenues for such service should be reported on Line 202.

Line 210 -- Long distance private line service should include revenues from dedicated circuits, private switching arrangements, and/or predefined transmission paths, extending beyond the basic service area. Line 210 should include frame relay and similar services where the customer is provided a dedicated amount of capacity between points in different basic service areas. Any revenues from international service should be excluded here and reported on line 216.

Line 211 -- All other long distance services (excluding international) should include all other revenues from providing long distance communications services. Line 211 should include toll teleconferencing. Line 211 should include switched data, frame relay and similar services where the customer is provided a toll network service rather than dedicated capacity between two points.

212 -- Universal service support revenues should include all amounts that filers receive as universal service support from either states or the federal government. Line 212 should include as revenues Lifeline Assistance reimbursement for the waived portion of subscriber line, presubscribed interexchange carrier charges or credits for subsidized services provided to schools, libraries, and rural health care providers. Line 212 should include amounts received as cash as well as amounts received as credit against contribution obligations. Line 212 should not include any amounts charged to customers to recover universal service or similar contributions.

Line 213 – Include revenues from the provision of broadband (including DSL and cable TV Program transmissions) services. These revenues are excluded from the calculation of Net Universal Service Fund revenue.

Line 214 -- Data reported on this line should contain mobile service revenues other than toll charges to mobile service customers. Charges associated with mobile service provided to resellers should not be included on this line. For services provided to end users, Line 214 should contain monthly charges, activation fees, service restoration, and service order processing charges, etc. End-user prepaid wireless service revenues attributable to activation and daily or monthly access charges should be reported on Line 214.

Line 215 -- Message charges, including any roaming charges assessed on customers for calls placed out of customers' home areas and local directory assistance charges. End-user prepaid wireless service revenues attributable to airtime should be reported on Line 215. Itemized toll charges to mobile service customers should be included in the Lines 210, 211 or 216, as appropriate.

#### **IV. Line Item Contribution Worksheet Instructions Continued:**

Line 216 -- Line 216 should include all revenues derived from the provision of international communications services. International services are defined as any call which originates or terminates at a point outside of the United States, regardless of its transmission path.

217 -- Line 217 should include all non-telecommunications service revenues on the reporting entity's books, as well as some revenues that are derived from telecommunications-related functions, but that should not be included in the universal service or other fund contribution bases. For example, information services offering a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications are not included in the universal service or other fund contribution bases. Information services do not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service. Information services also are called enhanced services because they are offered over transmission facilities used in interstate communications and employ computer processing applications that act on the format, content, code, protocol, or similar aspects of the subscriber's transmitted information; provide the subscriber additional, different, or restructured information; or involve subscriber interaction with stored information. For example, call moderation and call transcription services are information services. These services are exempt from contribution requirements and should be reported on Line 217. Line 217 should include revenues from published directory and carrier billing and collection services. Line 217 should include revenues from the sale, lease, installation, maintenance, or insurance of customer premises equipment (CPE). Line 217 should include inside wiring charges and inside wiring maintenance insurance. Line 217 should include the sale or lease of transmission facilities, such as dark fiber or bare transponder capacity, that are not provided as part of a telecommunications service or as a UNE. Line 217 should include pole attachment revenues. Line 217 should include revenues from providing open video systems (OVS), cable leased access, and direct broadcast satellite (DBS) services. Line 217 should include late payment charges and charges (penalties) imposed by the company for customer checks returned for non-payment. Line 217 should not include any revenues from the provision of broadband (including DSL and cable TV Program transmissions) services. All revenues from the provision of broadband services should be reported on Line 213.

Line 219 -- Reflects the gross amount includable in Net Universal Service Fund contribution revenue. This number is the total of Lines 201 through 211.

Line 220 -- Show the uncollectible revenue/bad debt expense associated with gross billed revenues amounts reported on Line 218. This should be the amount reported as bad debt expense in the filer's income statement for the year. Note that it will include uncollectibles associated with all revenue on the filer's books (Line 218), covering carrier's carrier revenues, end-user telecommunications revenues and revenues reported on Lines 212 through 217. The contributor's uncollectible revenues/bad debt expense should be calculated in accordance with Generally Accepted Accounting Principles. Thus, uncollectibles should represent the portion of gross billed revenues that the contributor reasonably expects will not be collected. Note that uncollectibles may not include any amounts associated with unbillable revenues. Filers that operate on a cash basis should report \$0 on this line.

Line 221 -- Show the portion of the uncollectible revenue/bad debt expense reported on Line 220 that is associated with just the universal service contribution base amounts reported on Line 219. Filers that maintain separate detail of uncollectibles by type of business should rely on those records in determining the portion of gross uncollectibles reported on Line 220 that should be reported on Line 221. Filers that do not have such detail should make such assignments in proportion to reported gross revenues. Filers must be able to document how the amounts reported on Line 221 relate to the uncollectible revenue/bad debt expense associated with gross billed revenues reported on Line 219.

Line 222 -- This is your net universal service fund contribution base revenue. It contains the total base revenue reported on line 219 less the uncollectible revenue associated with the line 219 amount as reported on line 221. This amount should be reported on the certification page line 113 Lines A, B, and C.

**2007 South Carolina State USF Fund**  
**Worksheet to Determine Reportable Revenues**  
**Year Ending 12/31/2006**

	A	B	C	D
<b>Gross South Carolina Revenues From All Sources (Telecommunications and Nontelecommunications)</b>	<b>South Carolina End User (Retail) Intrastate</b>	<b>South Carolina End User (Retail) Interstate</b>	<b>Carrier's Carrier (Wholesale)</b>	<b>Total</b>
201 - Surcharges or other amounts on bills identified as recovering both state and federal Universal Service contributions				
<b>Fixed local services:</b>				
202 - Monthly service, local calling, connect charges, vertical features, and other local exchange service charges. Except for federally tariffed subscriber line charges.				
203 a. - PICC charges levied by a local exchange carrier on a no-PIC customer and tariffed subscriber line charges .				
203 b. - Revenues from Subscriber Line Charges billed to Public Telephone Access Line Services.				
203 c. - Revenues from Subscriber Line Charges billed to Lifeline Services.				
204 Local private line and special access service				
205 a. - Payphone revenues				
205 b.- Revenues from Payphone Telephone Access Line Services				
206 - Other local telecommunications service revenues				
207 - Prepaid calling card (including card sales to customers and non-carrier distributors but <u>excluding</u> international calling) reported at face value of cards.				
208 - Interstate and intrastate operator and toll calls with alternate billing arrangements (credit card, collect, , etc.)				
209 - Ordinary interstate and intrastate long distance (direct-dial MTS, customer toll free 800/888 service, "10-10" calls, associated monthly account maintenance, PICC pass-through, and other switched services not reported above				
210 - Long distance private line services ( <u>excluding</u> international)				
211 - All other long distance services ( <u>excluding</u> international)				

**2007 South Carolina State USF Fund**  
**Worksheet to Determine Reportable Revenues**  
**Year Ending 12/31/2006**

	A	B	C	D
	South Carolina End User (Retail) Intrastate	South Carolina End User (Retail) Interstate	Carrier's Carrier (Wholesale)	Total
<b>Gross South Carolina Revenues From All Sources (Telecommunications and Nontelecommunications)</b>				
<b>Revenues from all other sources:</b>				
212 - Universal service support received from federal and state sources (both USF and Interim LEC Funds)				
213 - Revenues from provision of broadband services				
214 - Monthly service and activation charge revenues from mobile (including wireless telephony, paging and messaging and other mobile services) services				
215 - Mobile service message charges including roaming, but excluding toll charges				
216 - International operator and toll calls, international calling card sales, international private line services and any other international services				
217 - Revenues from other non-telecommunications services, including, but not limited to: Information services, inside wiring maintenance, billing and collection, customer premises equipment, published directory, CATV, and dark fiber				
<b>218 - Gross revenues from all sources (Lines 201 through 217)</b>				

**South Carolina State USF Fund Contribution Revenue:**

219 - Total Gross universal service contribution base amounts - Lines 201 through 211				
220 - Uncollectible revenue/bad debts expense associated with gross revenue amounts on Line 218				
221 - Uncollectible revenue/bad debts expense associated with universal service contribution amounts on Line 219				
<b>222 - Net Universal Service Fund contribution base revenue (Line 219 minus Line 221)</b>				

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2007-20-C**

IN RE:

Application of New Horizons Communications  
Corporation for Authority to Operate as a  
Reseller of Interexchange Telecommunication  
Services within the State of South Carolina


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**CERTIFICATE OF  
SERVICE**

This is to certify that I, Pamela J. McMullan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

**Lance J.M. Steinhart, Esquire**  
1720 Windward Concourse, Ste 250  
Alpharetta, GA 30005

**Scott Elliott, Esquire**  
Elliott & Elliott, P.A.  
721 Olive Street  
Columbia, SC 29205

  
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Pamela J. McMullan

April 26, 2007  
Columbia, South Carolina